



July 26, 2019

Via Email Only

Ms. Stacy Guidry, Section Chief
Medicaid Program Operations and Compliance
628 N. Fourth St
Baton Rouge, LA 70821

Re: **Notice of Monetary Penalty for Healthy Blue Louisiana's Improper Steering of Enrollees to Certain Network Providers**

Dear Stacy:

In response to "Notice of Monetary Penalty for Healthy Blue Louisiana's – Improper Steering of Enrollees to Certain Network Providers" sent on 7/24/19, we would like to take this opportunity to provide the additional documentation requested as part of this notification.

- Documentation evidencing that each enrollee affected has been contacted by telephone in order to explain the nature of the non-compliance and to be informed of his or her right to transfer their prescriptions to any specialty pharmacy in HBL's network.

Live calls to affected members began on 7/19/19 using the call script that was approved by LDH. Following the industry good faith standard, three (3) attempts were made to reach each member. One hundred thirty-eight (138) members were reached via this call campaign. The breakdown of the remaining members is below:

- 304 members had no voicemail and did not answer the call,
- 19 members hung up after connection,
- 110 members were unreachable because their phone was disconnected/out of service or had an incorrect number
- 30 members had a busy signal for all 3 call attempts
- 7 members were not contacted as they were no longer eligible

Additionally, each member was sent a letter on July 16, 2019, explaining the error and assuring them they are able to continue using their current specialty pharmacy or the pharmacy of their choice. Please refer to attached spreadsheet (LA Member Call Outcome.xlsx) detailing status of calls to each member.

We also wanted to note outreach was made to 608 members out of an abundance of caution and ensure all members were aware they could continue using their current pharmacy. A review was completed of the 608 members, and we have confirmed that

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during the original call campaign the Specialty team only actually spoke with 37 members. The breakdown of the remaining members is below:

- 419 members only had a one-time fill of their specialty medication, so they did not receive a call
 - 107 messages were left for members to contact the plan
 - 45 members were unreachable because their phone was disconnected.
- Documentation evidencing that a pharmacist (not technician) in each pharmacy affected has been contacted by telephone in order to explain the nature of the noncompliance and to explain that each enrollee affected was contacted and informed they may continue to fill medication at the affected pharmacy or any other specialty pharmacy in HBL's network

Live calls to pharmacies associated with the specialty members related to this issue began on 7/25/19. Healthy Blue has made several attempts to reach a pharmacist at each location. These attempts have been met with challenges in the ability to speak with a pharmacist. We have found that technicians are unwilling to transfer calls to the pharmacist, and further, the pharmacists are unwilling to take the calls. As per state direction, the information has not been provided to the pharmacy technicians. Due to the challenges with speaking directly to the pharmacists, Healthy Blue is amenable to sending a written communication to any pharmacies where we were not able to reach the pharmacist, with concurrence of LDH. Please refer to attached spreadsheet (LA Provider Call Outcome.xlsx) detailing status of calls to each pharmacy.

- Documentation evidencing all remedial action(s) that have been taken to prevent improper steering of HBL's enrollees, including those actions to improve HBL's oversight and monitoring of its PBM; and
- Documentation evidencing the corrective actions and/or sanctions imposed by HBL for the non-compliance of its PBM for all improper activities associated with this Notice of Monetary Penalty.

Please note: As the remediation of this issue is part of our corrective action plan, this response will address both remedial and corrective action.

The remediation plan put into place and communicated to LDH on July 8, 2019 is being formalized into a Corrective Action Plan (CAP) to ensure activities related to improper steering of enrollees is fully remediated and does not reoccur. A copy of this formal CAP will be provided, upon request, by 8/2/19. As part of this CAP, the Medicaid Pharmacy Communications Team, as subject matter experts with detailed understanding of the state's requirements, will review and approve all outgoing communications (call scripts and letters) to determine the appropriate category for each communication. Having experts at this level make these determinations will ensure the state review process is applied and the correct entity communicates to Healthy Blue members in a way most beneficial to the care of the member. In addition to the communication team review, the Louisiana market leads, as well as Pharmacy Compliance, will review all collaterals, communications and call scripts to ensure the communication is appropriate for the identified population.

Overall, the Compliance Organization has a dedicated Compliance Officer to oversee a comprehensive Compliance Plan and to ensure oversight and monitoring of our Pharmacy Benefit Manager (PBM), IngenioRx. The Pharmacy Compliance Officer is supported by a

team of Compliance professionals who are dedicated to Medicaid business. The compliance team has established a system for routine and periodic internal monitoring and auditing to ensure compliance with all applicable Federal and State laws and regulations, as well as internal policies and procedures. The Pharmacy Compliance team coordinates ongoing risk and issue management to proactively identify risks and issues and perform monitoring reviews of critical processes. Risks are considered future events with the potential for non-compliance if not effectively mitigated, while issues are those deficiencies or concerns having already occurred, resulting in non-compliance requiring remediation. These items are identified through various oversight and monitoring activities, including but not limited to audits, compliance checks, revalidations, regulatory or mandate notices. This is done in partnership with the impacted operational areas. Identification of both risks and issues is a continuous, ongoing process. This oversight activity will include approving and monitoring the CAP noted above. These processes allow IngenioRx to reduce regulatory and compliance risk and improve the overall effectiveness of IngenioRx's Compliance program.

Healthy Blue would like to note the intent of the initial outreach was to ensure our members would continue to receive specialty drugs with no disruption as of 5/1/19 if they were attempting to obtain the drug from a pharmacy that was not contracted with our new PBM. We have confirmed our specialty Rx benefit is correctly adjudicating claims from any in-network pharmacy. In-network pharmacies attempting to process a specialty drug do not receive a message to use IngenioRx. A review of pharmacy claims data from March to June confirms that members continue to use various local, chain and specialty pharmacies to fill specialty drugs.

Finally, Healthy Blue is in the process of confirming the dates of all calls made. Based on the validation results, Healthy Blue would like reserve the right to appeal the date IngenioRx stopped making the telephone calls as outlined in the Notice and the associated calculation of the monetary penalty.

Sincerely,

A handwritten signature in blue ink, appearing to read "Aaron Lambert", with a stylized flourish at the end.

Aaron A. Lambert
President, Healthy Blue